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February 16, 1982

MEMORANDUM FOR THE HONORABLE CASPAR W. WEINBERGER
The Secretary of Defense

THE HONORABLE WILLIAM FRENCH SMITH
The Attorney General

THE HONORABLE WILLIAM J. CASEY
The Director of Central Intelligence

GENERAL DAVID C. JONES
The Chairman, Joint Chiefs of Staff

SUBJECT: National Security Study Directive (NSSD) 2-82
Detecting and Countering the Foreign Intelligence
Threat to the United States

The President has directed that US policies, capabilities, and organization for countering hostile intelligence activities directed against the US and its interests be reviewed and that a draft NSDD, Detecting and Countering the Foreign Intelligence Threat to the United States, be developed for NSC consideration and Presidential decision. This review will provide the basis for other decisions for implementation as well.

This effort will establish the objectives, policies, required capabilities, organizational relationships, and resource priorities which in turn will guide the future efforts of departments and agencies in countering the wide range of intelligence collection techniques and activities by which hostile intelligence services threaten our security.

Responsibilities for countering the hostile threat in its totality are shared by a number of departments and agencies and involve a variety of efforts including counterintelligence activities, operational and communications security programs, and personnel, physical and document security measures. For example, Executive Order 12333 establishes that the Director,

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2

Federal Bureau of Investigation conducts and coordinates counterintelligence activities within the US, while the Director of Central Intelligence conducts and coordinates counterintelligence activities outside the United States.

In accordance with NSDD-2, the Director of Central Intelligence will direct a study of US capabilities and requirements to meet the threat and will chair an interagency group which will conduct this review. This group shall include the Secretary of Defense, the Assistant to the President for National Security Affairs, the Director, Federal Bureau of Investigation, the Director, National Security Agency, the Director, Defense Intelligence Agency, and the Chairman, Joint Chiefs of Staff, as well as others that the Director of Central Intelligence may choose. The attached National Security Study Directive (NSSD 2-82) provides guidelines for this study and review.

The review should be completed not later than June 15, 1982. An outline of the study should be provided to my office by March 1, 1982.

FOR THE PRESIDENT:



William P. Clark

Attachment

National Security Study Directive 2-82

cc: The Director, Federal Bureau of Investigation
The Director, Defense Intelligence Agency
The Director, National Security Agency

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National Security Study
*Directive Number 2-82*DETECTING AND COUNTERING THE FOREIGN
INTELLIGENCE THREAT TO THE UNITED STATESIntroduction

Executive Order 12333, United States Intelligence Activities, provides that special emphasis be given to detecting and countering espionage and other threats and activities directed by foreign intelligence services against the United States. Successive National Security Council-directed assessments of the Hostile Intelligence Services Multi-disciplinary Threat and United States Countermeasures prepared by the intelligence community under the Director of Central Intelligence have demonstrated that these activities, both in this country and abroad, pose an increasingly significant threat to our national security. The recent 1985 Intelligence Capabilities Study concluded that the increasing numbers of hostile foreign nationals within the United States was seriously eroding the intelligence community's capability to respond to this threat.

Recent assessments have shown that hostile intelligence services do not rely on a single collection technique to acquire sensitive information and technology. Rather, they employ a wide range of methods including human sources, imagery, manned and unmanned satellites, aircraft, signal intelligence collection ships, acoustic sensors, overt ground-based signal intelligence collection networks, and covert communications intercept. Moreover, collection is not the only threat; Soviet "active measures" include subversion, disinformation, and other clandestine activities inimical to US interests. These assessments have generally concluded that US efforts to respond in a coordinated way to the multiplicity of hostile collection techniques which threaten us are insufficient compared to the need.

TOP SECRETReview on February 16, 2002
Extended by William P. Clark
Reason: NSC 1.13(e)

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2

Although these estimates to date have proven to be valuable elements in gauging the extent and nature of the foreign intelligence threat, there has been no comprehensive assessment of our ability to respond to this threat. Additional steps are necessary, and a review of the objectives, policies, organization, capabilities, resource priorities, and vulnerabilities of the efforts of the government to detect and counter this hostile threat in its totality is urgently needed. This NSSD establishes terms of reference for this review.

Objective of the Review

To undertake a comprehensive review of US capabilities to detect, analyze, and counter the foreign intelligence threat. This review will produce a National Security Decision Directive (NSDD) on Detecting and Countering the Foreign Intelligence Threat to the United States for consideration by the National Security Council and decision by the President, as well as other recommendations for decisions to implement the objectives of the NSDD throughout the government.

Scope

The review shall assess, as a minimum, the following topics with regard to detecting, analyzing, and countering totality of the foreign intelligence threat:

- Overall US objectives.
- The adequacy of the process and structure for developing US national policies designed to implement these objectives and the adequacy of long range planning efforts.
- Intelligence collection capabilities necessary to detect and analyze all aspects, including espionage, "active measures," technical collection, and other activities.
- Capabilities necessary to counter this threat.
- Organizational and managerial framework for determining the most effective application of budgetary and personnel resources. Usefulness of developing a subject/target technique for consideration of this area.
- Methodology for gauging the effectiveness of these efforts.

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3

- Legal, guideline, structural, and organizational impediments to achieving required capabilities in these areas.

- Strengths, vulnerabilities, and weaknesses in regard to protective security objectives, policies, and organization applicable to US Government agencies, US Government contractors, and private industry.

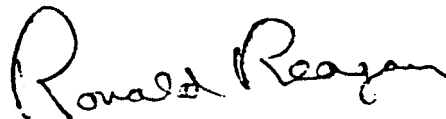
- The need to develop a central, all source counter-intelligence information and analysis capability.

It is intended that the review focus on the strengths and weaknesses of our capabilities to respond to the threat, and as such it should draw upon previous assessments in establishing the nature and source of the threat, including the current multidisciplinary assessment.

Administration

Management of the NSSD 2-82 review will be the responsibility of an interagency review group chaired by the Director of Central Intelligence or his representative. The interagency review group will report its findings for National Security Council consideration not later than June 15, 1982. The interagency review group will include representatives of the Departments of Defense and Justice, the Central Intelligence Agency, the Federal Bureau of Investigation, the National Security Agency, the Defense Intelligence Agency, the Joint Chiefs of Staff, and the Assistant to the President for National Security Affairs, and others that the Director of Central Intelligence may choose.

All matters relating to this NSSD will be classified Top Secret. Dissemination of this NSSD, subsequent study material, and the resulting draft will be handled on a strict need-to-know basis.

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